

FORM

2

Rev
12/05

State of Colorado

Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400307937

Date Received:

07/23/2012

PluggingBond SuretyID

20110018

APPLICATION FOR PERMIT TO:

1. ☒ Drill, ☐ Deepen, ☐ Re-enter, ☐ Recomplete and Operate

2. TYPE OF WELL

OIL ☒ GAS ☐ COALBED ☐ OTHER _____
 SINGLE ZONE ☐ MULTIPLE ☒ COMMINGLE ☒

Refiling ☐Sidetrack ☐3. Name of Operator: RANCHERS EXPLORATION PARTNERS LLC4. COGCC Operator Number: 103505. Address: 9 NORTH PARRISH AVECity: JOHNSTOWN State: CO Zip: 805346. Contact Name: Mike Ward Phone: (970)587-9123 Fax: ()Email: mike@ranchers.com7. Well Name: River West Well Number: 2

8. Unit Name (if appl): _____ Unit Number: _____

9. Proposed Total Measured Depth: 7919

WELL LOCATION INFORMATION

10. QtrQtr: NWNW Sec: 24 Twp: 6N Rng: 68W Meridian: 6Latitude: 40.475890 Longitude: -104.960630

Footage at Surface: 1264 feet FNL 701 feet FWL
 FNL/FSL FEL/FWL

11. Field Name: Wattenberg Field Number: 9075012. Ground Elevation: 4880 13. County: LARIMER

14. GPS Data:

Date of Measurement: 05/23/2012 PDOP Reading: 2.3 Instrument Operator's Name: Tim Mather15. If well is ☒ Directional ☐ Horizontal (highly deviated) **submit deviated drilling plan.**

Footage at Top of Prod Zone: FNL/FSL FEL/FWL Bottom Hole: FNL/FSL FEL/FWL
667 FNL 1991 FWL 667 FNL 1991 FWL
 Sec: 24 Twp: 6N Rng: 68W Sec: 24 Twp: 6N Rng: 68W

16. Is location in a high density area? (Rule 603b)? ☐ Yes ☒ No17. Distance to the nearest building, public road, above ground utility or railroad: 338 ft18. Distance to nearest property line: 220 ft 19. Distance to nearest well permitted/completed in the same formation(BHL): 910 ft

20. LEASE, SPACING AND POOLING INFORMATION

Objective Formation(s)	Formation Code	Spacing Order Number(s)	Unit Acreage Assigned to Well	Unit Configuration (N/2, SE/4, etc.)
Codell	CODL	407-87	80	E/2NW/4
J Sand	JSND			
Niobrara	NBRR	407-87	80	E/2NW/4

21. Mineral Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian Lease #: _____22. Surface Ownership: ☒ Fee ☐ State ☐ Federal ☐ Indian23. Is the Surface Owner also the Mineral Owner? ☐ Yes ☒ No Surface Surety ID#:23a. If 23 is Yes: Is the Surface Owner(s) signature on the lease? ☐ Yes ☐ No23b. If 23 is No: ☒ Surface Owners Agreement Attached or ☐ \$25,000 Blanket Surface Bond ☐ \$2,000 Surface Bond ☐ \$5,000 Surface Bond

24. Using standard QtrQtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer):

Mineral lease is attached

25. Distance to Nearest Mineral Lease Line: 369 ft

26. Total Acres in Lease: 153

DRILLING PLANS AND PROCEDURES

27. Is H2S anticipated? ☐ Yes ☒ No If Yes, attach contingency plan.

28. Will salt sections be encountered during drilling? ☐ Yes ☒ No

29. Will salt (>15,000 ppm TDS CL) or oil based muds be used during drilling? ☐ Yes ☒ No

30. If questions 28 or 29 are yes, is this location in a sensitive area (Rule 901.e)? ☐ Yes ☐ No

31. Mud disposal: ☒ Offsite ☐ Onsite

If 28, 29, or 30 are "Yes" a pit permit may be required.

Method: ☐ Land Farming ☒ Land Spreading ☐ Disposal Facility Other: _____

Note: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b). If air/gas drilling, notify local fire officials.

Casing Type	Size of Hole	Size of Casing	Wt/Ft	Csg/Liner Top	Setting Depth	Sacks Cmt	Cmt Btm	Cmt Top
SURF	12+1/4	8+5/8	24	0	400	240	400	0
1ST	7+7/8	4+1/2	11.6	0	7918	294	7918	6600

32. BOP Equipment Type: ☒ Annular Preventer ☐ Double Ram ☐ Rotating Head ☐ None

33. Comments No Conductor will be used. Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Request and Waiver attached.

34. Location ID: _____

35. Is this application in a Comprehensive Drilling Plan ? ☐ Yes ☒ No

36. Is this application part of submitted Oil and Gas Location Assessment ? ☒ Yes ☐ No

I hereby certify all statements made in this form are, to the best of my knowledge, true, correct, and complete.

Signed: _____

Print Name: Timothy R. Mather

Title: Project Manager

Date: 7/23/2012

Email: tmather@infomaption.com

Operator must have a valid water right or permit allowing for industrial use or purchased water from a seller that has a valid water right or permit allowing for industrial use, otherwise an application for a change in type of use is required under Colorado law. Operator must also use the water in the location set forth in the water right decree or well permit, otherwise an application for a change in place of use is required under Colorado law. Section 37-92-103(5), C.R.S. (2011).

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____

Director of COGCC

Date: 1/10/2014

API NUMBER

05 069 06454 00

Permit Number: _____

Expiration Date: 1/9/2016

CONDITIONS OF APPROVAL, IF ANY:

All representations, stipulations and conditions of approval stated in the Form 2A for this location shall constitute representations, stipulations and conditions of approval for this Form 2 Permit-to-Drill and are enforceable to the same extent as all other representations, stipulations and conditions of approval stated in this Permit-to-Drill.

Description

Operator must meet water well testing requirements per Rule 318A.

- 1) Submit Form 42 electronically to COGCC 48 hours prior to MIRU.
- 2) Comply with Rule 317.i and provide cement coverage from TD to a minimum of 200' above Niobrara. Verify coverage with cement bond log.
- 3) Comply with Rule 321. Run and submit Directional Survey from TD to base of surface casing. Ensure that the wellbore complies with setback requirements in commission orders or rules prior to producing the well.

Applicable Policies and Notices to Operators

Notice Concerning Operating Requirements for Wildlife Protection.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400307937	FORM 2 SUBMITTED
400307940	PROPOSED BMPs
400308240	WELL LOCATION PLAT
400314676	LEGAL/LEASE DESCRIPTION
400314683	SURFACE AGRMT/SURETY
400328514	DEVIATED DRILLING PLAN
400328524	DIRECTIONAL DATA
400341056	DIRECTIONAL DATA
400360262	EXCEPTION LOC REQUEST
400360263	EXCEPTION LOC WAIVERS

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Off Hold: Compliance issues resolved. Per operator's counsel, updated contact information.	1/10/2014 8:26:15 AM
Permit	ON HOLD: pending resolution of operator's compliance issues.	2/5/2013 9:11:07 AM
Permit	Operator confirmed the distance to nearest well @ 910'.	1/25/2013 8:52:18 AM
Permit	ON HOLD: Requesting confirmation of distance to nearest well. Change acreage from 152 to 80 acres per NB-CD spacing order and unit configuration to E/2NW/4 and removed acres & unit configuration for J Sand per operator.	1/23/2013 11:16:33 AM
Permit	ON HOLD: Requesting a change to acreage from 152 to 80 acres per NB-CD spacing order. No spacing order for J Sand. Request removal of acres & unit configuration for J Sand. Requesting confirmation of distance to nearest well.	1/8/2013 4:16:52 PM
Permit	Operator requests approval of a Rule 318Aa exception location: Wellhead is to be located outside of a GWA drilling window. Request and Waiver attached.	1/8/2013 4:16:22 PM
LGD	<p>Please be advised that the subject property is located within the Town's Growth Management Area (GMA). The Town's Comprehensive Plan states, "The GMA is intended to define those specific areas within the planning area where it is most logical to extend urban services in the near term, that is, within the next five to ten years."</p> <p>Below please find the conditions of approval that are typically applied to conditional</p>	12/26/2012 8:58:53 AM

	<p>use grants for oil and gas operations located within Town. Therefore, the Town recommends the following conditions be placed on the abovementioned oil and gas facilities:</p> <p>1. Prior to the commencement of drilling, the applicant shall submit comprehensive "Drilling and Site Improvement Plans" for review and approval by the Town. Such plans shall address initial drilling activities, initial installation of site improvements and details, and on-going perpetual maintenance of the subject site including, but not limited to, the following:</p> <p>a. Site access plan. The Drilling and Site Improvement Plans and supplemental information shall address site access points and haul routes for review and approval.</p> <p>b. Public street clean-up and tracking prevention. The Drilling and Site Improvement Plans and supplemental information shall include a tracking pad for review and approval.</p> <p>c. Site grading. The Drilling and Site Improvement Plans and supplemental information shall address site grading, including any earth berms for emergency containment.</p> <p>d. Site lighting. The Drilling and Site Improvement Plans and supplemental information shall include details regarding site lighting fixtures and locations. Security and other site lighting shall utilize full cutoff light fixtures to mitigate light pollution.</p> <p>e. Temporary screening. The applicant shall install a buffer to screen the initial drilling activities and installation of site improvements from surrounding neighborhoods and streets. The temporary buffer shall include hay bales to enclose the drilling operations to provide noise mitigation.</p> <p>f. Permanent screening. Given the close proximity to residential neighbors, the Drilling and Site Improvement Plans shall depict proposed long-term screening materials including landscaping, earth berms and any other screening methods to mitigate visual impacts.</p> <p>g. Fencing. The Drilling and Site Improvement Plans shall depict fencing of the perimeter of the site. Fencing materials shall be reviewed for approval by the Town based upon the character of the surrounding neighborhood.</p> <p>h. Oil and gas equipment.</p> <p>(1) The applicant shall utilize electric motors in order to mitigate the noise impacts to the neighboring properties.</p> <p>(2) The applicant shall ensure that the wells and tanks are of the minimum size required to satisfy present and future functional requirements to mitigate visual impacts.</p> <p>(3) Low profile tanks shall be utilized and shall be installed in the least visible manner possible.</p> <p>(4) All tanks and equipment shall be painted to blend-in with the surrounding landscape.</p> <p>i. Air quality.</p> <p>(1) The applicant shall participate in any required Environmental Protection Agency (EPA) air quality monitoring and/or testing by allowing EPA to install equipment on site for said monitoring and testing.</p> <p>(2) The applicant shall install and operate an emissions control device (ECD) capable of reducing Volatile Organic Compound (VOC) emissions on the subject oil and gas equipment in accordance with Colorado Oil and Gas Conservation Commission (COGCC) and/or the Colorado Department of Public Health and</p>		
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	<p>Environment (CDPHE) rules and regulations.</p> <p>(3)The applicant shall submit to the Town copies of all air emissions reporting as required by the COGCC and/or the CDPHE's Air Pollution Control Division.</p> <p>j.Water quality.</p> <p>(1)The applicant shall ensure that any hydrocarbon discharges from the site comply with all state and federal water quality requirements.</p> <p>(2)The applicant shall participate in the Colorado Oil and Gas Association (COGA) Baseline Groundwater Quality Sampling Program utilizing independent third party sampling and laboratories and shall provide to the Town test results obtained before and after drilling operations.</p> <p>k.Emergency containment.The secondary containment berm surrounding all storage vessels shall be designed and constructed to contain a minimum of 110% of the volume of the largest vessel located within the containment area or to State of Colorado standards, whichever requirements are more stringent.</p> <p>l.Waste disposal.The applicant shall submit to the Town copies of all waste management reports as required by the COGCC and/or the CDPHE rules and regulations.</p> <p>m.The following certification blocks shall be included on the Drilling and Site Improvement Plans:</p> <p>(1)A signed owner's acknowledgement certification block.</p> <p>(2)A signed drilling operator's acknowledgement certification block.</p> <p>n.The following notes shall be included on the Drilling and Site Improvement Plans:</p> <p>(1)The applicant shall comply with all rules and regulations of the Colorado Oil and Gas Conservation Commission (COGCC).</p> <p>(2)The applicant shall comply with all rules and regulations of the Colorado Department of Public Health and Environment (CDPHE).</p> <p>(3)The applicant shall maintain on-going compliance with all conditions of the Town and Windsor-Severance Fire Rescue.</p> <p>(4)The facilities shall be kept clean and otherwise properly maintained at all times.</p> <p>(5)The existing access may be utilized for oil and gas well activities.This access point is temporary and will be required to be removed at such time that permanent access is available in the future.</p> <p>2.The applicant shall address and comply with the conditions of Windsor-Severance Fire Rescue.</p>		
LGD	<p>The proposed site is located adjacent to and upstream of Town of Windsor residential neighborhoods.Given the close proximity of the proposed wells to a former landfill site, please enforce any and all federal, state and local regulations regarding such sites to ensure that the public health and safety is protected.</p>	12/26/2012 8:56:04 AM	
Permit	This form has passed completeness.	12/24/2012 8:47:20 AM	
Permit	<p>Return to Draft:</p> <p>1. Directional drilling template/import is not uploaded/imported.</p>	9/21/2012 12:23:41 AM	

Permit	Returned to draft. Needs deviated drilling plan, directional data and directional template. Will also direct operator to redact dollar amounts in oil and gas lease and add comment about attached lease in line 22. Operator attached 2 oil and gas leases instead of oil and gas lease and SUA.	7/23/2012 1:49:58 PM
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Total: 11 comment(s)

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	General Housekeeping	<p>All materials and fluids will be storage in an organized fashion. Liquid waste will be temporarily stored in sealable container in a secure area with perimeter containment berms. Temporarily stored material will be regularly transported off site to suitable waste handling or disposal facilities. If a spill does occur, prompt cleanup of materials will ensure in order to prevent co-mingling for stormwater runoff.</p> <p>Routine maintenance of equipment will be limited to refueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste products from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted on site on order to prevent spillage or discharge of hazardous liquids or materials.</p> <p>Cleanup of trash and discarded material will be conducted at the end of each work day. Cleanup will consist of patrolling the roadway, access areas, and other work area to pick up trash, scrap debris, other discarded materials and any contaminated soil.</p>
2	Material Handling and Spill Prevention	BMP's will be constructed around the perimeter of the site prior to, or at the beginning of construction. BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation.

Total: 2 comment(s)